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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

DEON TEEPLE, an individual,

Plaintiff,

vs.

THE EMPLOYEE BENEFIT
COMMITTEE OF PG&E
CORPORATION, in its capacity as
Plan Administrator and fiduciary of
the Pacific Gas and Electric Company
Retirement Plan, and PACIFIC GAS
AND ELECTRIC COMPANY
RETIREMENT PLAN,

Defendants.

Case No.: 3:19-cv-502

COMPLAINT FOR BENEFITS AND
FOR VIOLATIONS OF THE
EMPLOYEE RETIREMENT
INCOME SECURITY ACT OF 1974
(ERISA)

1 Plan Administrator, as required by the Plan Administrator, in order for Ms.
2 Teeple to continue participating in PG&E's benefit plans as Mr. Martinez's
3 spouse. Each year, Mr. Martinez and Ms. Teeple were reassured by PG&E's
4 Human Resources Department, as the Plan Administrator's agent, that their
5 domestic partnership certificate was sufficient for Mr. Martinez and Ms. Teeple
6 to be considered spouses for purposes of PG&E's employee benefit plans.

7 9. Mr. Martinez and Ms. Teeple were unable to register as domestic
8 partners with the State of California, because the State of California requires that
9 for opposite-sex couples, at least one of the domestic partners must be age 62.
10 Neither Mr. Martinez nor Ms. Teeple had attained the age of 62 at any time
11 relevant herein.

12 10. Mr. Martinez was a participant in the Retirement Plan during his
13 years of employment with PG&E, and accrued a vested retirement benefit under
14 the Retirement Plan. Mr. Martinez's vested retirement benefit included a pre-
15 retirement survivor benefit should he die prior to retirement.

16 11. Prior to his sudden death in 2017, Mr. Martinez and Ms. Teeple
17 planned for their retirement to begin in 2018, upon Mr. Martinez's completion of
18 35 years of service with PG&E. Mr. Martinez's PG&E pension benefits were a
19 central part of their retirement income planning. Mr. Martinez and Ms. Teeple
20 both relied on Mr. Martinez's substantial earnings and retirement benefit
21 accruals under the Retirement Plan as part of their retirement planning.

22 12. Because PG&E's other benefit plans and the Plan Administrator all
23 treated Ms. Teeple as Mr. Martinez's spouse, both Mr. Martinez and Ms. Teeple
24 also believed and understood that Ms. Teeple would receive Mr. Martinez's pre-
25 retirement survivor benefits as his spouse upon his death under the Retirement
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1 Plan. At no time after registering their domestic partnership did anyone from
2 PG&E inform them otherwise.

3 13. Mr. Martinez died suddenly and unexpectedly on October 18, 2017,
4 just five days after returning from work for PG&E in the Napa and Santa Rosa
5 firestorm. He bravely entered the fire zone in order to carry out his orders to
6 reestablish gas service at certain sites. He quickly realized that it was too
7 dangerous to continue doing so since the fires were still burning and he safely
8 withdrew his crew, protecting them from critical injury.

9 14. Following Mr. Martinez's sudden and unexpected death on October
10 18, 2017, Ms. Teeple submitted a claim for the pre-retirement survivor benefit
11 under the Retirement Plan to PG&E's Human Resources Department. PG&E
12 denied her claim on November 13, 2017, in a brief email that stated that Ms.
13 Teeple was not eligible for survivor benefits under the Retirement Plan because
14 Ms. Teeple was not married to Mr. Martinez at the time of his death. The email
15 attached a copy of a page from the Retirement Plan Summary Plan Description
16 ("SPD"), but did not identify any specific provision of the Retirement Plan
17 Document upon which the denial was based. The excerpt from the Retirement
18 Plan SPD stated that the Retirement Plan "may provide a pension benefit for
19 your spouse or registered domestic partner, or any designated beneficiary, if
20 your death occurs before you retire."

21 15. On January 9, 2018, Ms. Teeple appealed the denial of her claim for
22 benefits. Her appeal was denied on April 9, 2018 by John Lowe, in his capacity as
23 a Retirement Plan fiduciary. In the denial, Mr. Lowe stated that "By design, the
24 Plan extended the right to a pre-retirement death benefit to a domestic partner of
25 a participant if the participant and his or her domestic partner had registered
26 their domestic partnership with the Secretary of the State of California." The
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1 denial interpreted the word “spouse” in the Retirement Plan Document to
2 include a Retirement Plan participant’s domestic partner, but only if the domestic
3 partnership was registered with the State of California, not if it were registered
4 with the City and County of San Francisco. The Retirement Plan Document itself
5 does not address the status of domestic partners as spouses.

6 16. The denial also referred to provisions of a 2009 Summary of Material
7 Modifications (“SMM”) to the Retirement Plan: an email notice from 2009
8 regarding changes in beneficiary designation procedures, beneficiary forms and
9 other material purportedly distributed and/or available to PG&E employees,
10 that contained conflicting and confusing information regarding domestic
11 partners’ rights to pre-retirement survivor benefits.

12 17. Ms. Teeple appealed the denial of her appeal on June 5, 2018. On
13 August 3, 2018, her second appeal was denied by Mary K. King, in her capacity
14 as a Retirement Plan fiduciary and as the EBC’s representative. The denial of Ms.
15 Teeple’s second appeal repeated the same basis for denying Ms. Teeple’s first
16 appeal, interpreting the word “spouse” in the Retirement Plan document to
17 include a participant’s domestic partner, but only if the domestic partnership
18 was registered with the State of California. The denial of the second appeal
19 referred to the same conflicting and confusing documents as the denial of the
20 first appeal.

21 18. Mr. Martinez and Ms. Teeple relied to their detriment on the
22 representations of PG&E’s Human Resources Department that their domestic
23 partnership registration with the City of San Francisco was sufficient to qualify
24 them as spouses for purposes of all of PG&E’s benefit plans, including the
25 Retirement Plan. Had the Plan Administrator informed them at any time after
26 they registered their domestic partnership that their registered domestic
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partnership was insufficient to qualify Ms. Teeple as Mr. Martinez's spouse for purposes of the Retirement Plan, they would have taken steps to secure Ms. Teeple's access to benefits under the Retirement Plan. Because no such disclosure was made, and because all of the PG&E ERISA-regulated benefit plans other than the Retirement Plan were treating Ms. Teeple as Mr. Martinez's "spouse" based upon their domestic partnership registered with the City of San Francisco, they reasonably assumed that no further action on their part was necessary.

FIRST CAUSE OF ACTION

(Claim for Benefits pursuant to
ERISA § 502(a)(1)(B))

(against both Defendants)

19. Plaintiff realleges and incorporates by reference all allegations contained in the preceding paragraphs, as if fully stated herein.

20. ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B) permits a plan participant or beneficiary to bring a civil action to recover benefits due to her under the terms of a plan and to enforce her rights under the terms of a plan.

21. ERISA § 503, 29 U.S.C. § 1133, and 29 C.F.R. § 2560.503-1 require every employee benefit plan, including an employee welfare benefit plan, to follow certain minimum procedures pertaining to claims for benefits and to provide "adequate notice in writing" to participants whose claims for benefits under a plan have been denied. 29 C.F.R. § 2560.503-1(b)(5) requires that claims procedures contain administrative processes and safeguards designed to ensure and verify that benefit claim determinations are made in accordance with governing plan documents and that, where appropriate, plan provisions have been applied consistently with respect to similarly situated claimants.

22. Employee benefit plans must further afford a reasonable

1 opportunity for participants to receive a “full and fair review” after a claim for
2 benefits has been denied. ERISA’s claims regulation, 29 C.F.R. § 2560.503-1-(g)
3 requires that communications denying benefits must be clear and presented in
4 language that an ordinary participant can understand, and further requires plan
5 administrators to inform participants in such communications what additional
6 information they could should have provided in order to perfect their claim.

7 23. In committing the acts and omissions herein alleged, Defendants
8 violated ERISA § 503, 29 U.S.C. § 1133 and 29 C.F.R. § 2560.503-1.

9 24. Plaintiff is informed and believes, and thereon alleges, that
10 Defendants have also violated 29 C.F.R. § 2560.503-1(b)(5) by providing benefits
11 to other participants under circumstances similar to those of Plaintiff.
12 Defendants’ adverse benefit determinations are unreasonable and inconsistent
13 with Plaintiff’s reasonable expectations to receive benefits under the Plan.

14 25. As a result of the violations of ERISA by Defendants, and the
15 Retirement Plan’s failure to pay benefits to which Plaintiff is entitled, Plaintiff is
16 entitled to recovery pursuant to ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B),
17 which permits recovery of benefits due under the terms of an employee benefit
18 plan.

19 SECOND CAUSE OF ACTION

20 (Breaches of Fiduciary Duty Under ERISA § 502(a)(3))

21 (against Defendant EBC)

22 26. Plaintiff realleges and incorporates by reference all allegations
23 contained in the foregoing paragraphs, as if fully stated herein.

24 27. ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A), requires fiduciaries
25 to discharge their duties solely in the interests of employee benefit plan
26 participants and beneficiaries and for the exclusive purpose of providing
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benefits and defraying reasonable expenses of administering the plan.

28. ERISA § 404(a)(1)(B), 29 U.S.C. § 1104(a)(1)(B), requires fiduciaries to discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

29. ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D), requires fiduciaries to discharge their duties in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of ERISA.

30. ERISA § 102(a), 29 U.S.C. § 1022(a), requires employee benefit plans to provide participants with a summary plan description (“SPD”) and a summary of any material modification (“SMM”) in the terms of the plan. The SPD and SMM must be written in a manner calculated to be understood by the average plan participant. The SPD must also be sufficiently accurate and comprehensive to reasonably apprise such participants and beneficiaries of their rights and obligations under the plan. ERISA § 102(b), 29 U.S.C. § 1022(b) requires that the SPD include any circumstances which may result in disqualification, ineligibility, or denial or loss of benefits. Federal regulations at 29 C.F.R. 2520.102-2(b) require that the format of a summary plan description not have the effect to [*sic*] misleading, misinforming, or failing to inform participants and beneficiaries.

31. The ERISA fiduciary duties of loyalty and prudence also include a duty of candor, which obligates fiduciaries to communicate honestly and accurately with participants and beneficiaries about matters that could impact eligibility for benefits. This duty arises whether or not the participant has

1 explicitly asked for information.

2 32. In committing the acts and omissions herein alleged, Defendant
3 EBC breached its fiduciary duties in violation of ERISA §§ 404(a)(1)(A), (B) and
4 (D), 29 U.S.C. §§ 1104(a)(1)(A)(B) and (D); ERISA § 102(a) and (b), 29 U.S.C. §
5 1022(a) and (b); and 29 C.F.R. 2520.102-2(b).

6 33. Plaintiff is informed and believes, and thereon alleges, that
7 Defendant EBC has awarded benefits to other participants under circumstances
8 similar to those of Plaintiff. Defendant EBC's failure to provide benefits to
9 Plaintiff as it has done so for other Plan participants in similar circumstances
10 also constitutes a breach of its fiduciary duties in violation of ERISA §§
11 404(a)(1)(A) and (B), 29 U.S.C. §§ 1104(a)(1)(A) and (B), wherefore Plaintiff is
12 entitled to appropriate equitable relief including but not limited to estoppel,
13 declaratory relief, reformation, and surcharge.

14 PRAYER FOR RELIEF

15 WHEREFORE, Plaintiff prays judgment as follows:

16 A. For an award of benefits under the Plan pursuant to ERISA §
17 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B);

18 B. For appropriate equitable relief pursuant to ERISA § 502(a)(3), 29
19 U.S.C. § 1132(a)(3), including but not limited to (1) reformation; (2) estoppel; (3)
20 declaratory relief ordering Defendant EBC to comply with ERISA's disclosure
21 requirements; and (4) surcharge for any pecuniary injuries Plaintiff has suffered
22 as a consequence of Defendant EBC's breaches of its ERISA fiduciary duties;

23 C. For reasonable attorneys' fees and costs incurred by Plaintiff in the
24 prosecution of this action pursuant to ERISA § 502(g), 29 U.S.C. § 1132(g);

25 D. For pre-judgment interest and post-judgment interest on any and all
26 amounts awarded to Plaintiff; and

1 E. For all such other relief as the Court deems appropriate and
2 equitable.

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4 DATED this 28th day of January, 2019.

5 **Creitz &**
6 **Serebin** LLP

7 By /s/ Lisa S. Serebin
8 Joseph A. Creitz
9 Lisa S. Serebin
Attorneys for Plaintiff